

Last Amendment Date	Effective Date	Approved By
17 May 2019	18 May 2019	Board of Directors
23 January 2025	23 January 2025	Board of Directors

## **MPS LIMITED**

### **POLICY FOR DETERMINING MATERIAL SUBSIDIARY**

#### **1. PURPOSE OF THIS POLICY**

This Policy is being framed pursuant to Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). The Policy will be used to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

All the words and expressions used in this Policy, unless defined under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act 2013 and rules, notifications and circulars issued thereunder, as amended from time to time.

#### **2. DEFINITIONS**

“Act” shall mean the Companies Act, 2013 and any statutory modification or re-enactment thereof for the time being in force and all rules framed pursuant to and in accordance with the provisions thereof.

“Board” or “Board of Directors” shall mean the collective body of the directors for the time being of the Company or of the Material Subsidiary, as the case may be.

“Company” shall mean MPS Limited, a listed public Company.

“Subsidiary Company” or “Subsidiary” shall have the meaning ascribed to it in Section 2(87) of the Act.

“Material Subsidiary” shall mean a Subsidiary, whose turnover or net-worth exceeds ten percent of the consolidated turnover or net-worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

“Significant Transaction or Arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted Subsidiary for the immediately preceding accounting year.

“Independent Director” shall mean an independent director referred to in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **3. GOVERNANCE FRAMEWORK**

- A. At least one Independent Director on the Board of the Company shall be a Director on the Board of an unlisted Material Subsidiary, incorporated in India or not.

For the purposes of this provision, notwithstanding anything to the contrary contained in Regulation 16, the term “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

- B. The Audit Committee of the Board of the Company shall also review the financial statements, in particular, the investments made by the unlisted Subsidiary of the Company.
- C. The Minutes of meetings of the Board of directors of the unlisted Subsidiary shall be placed at the meeting of the Board of directors of the Company.
- D. The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.
- E. The Company shall not dispose any shares held by it in its Material Subsidiary resulting in a reduction of its shareholding in the Material Subsidiary (either on its own or together with other subsidiaries) to less than or equal to 50% or cease the exercise of control over the Material Subsidiary without passing a special resolution in its general meeting (including through postal ballot), except in cases where such divestment is made under a scheme of arrangement duly approved by a Court / Tribunal [or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved]
- F. Any sale, disposal and / or lease of assets amounting to more than twenty percent of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require the prior approval of shareholders by way of special resolution, unless the sale / disposal / lease is made under a scheme of arrangement duly approved by a Court / Tribunal [, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved:

“Nothing contained in this sub-regulation shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the company.”

- G. If the Company has a listed subsidiary, which is itself a holding company, the provisions of this regulation shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

#### **4. AMENDMENTS**

##### **Amendments to the Policy:**

This policy may be amended by the Board from time to time if and when considered necessary, provided that no such amendments shall be valid or effective which are contrary to or inconsistent with the Regulations.

##### **Amendment in Law:**

Any subsequent amendment/ modification in the Listing Regulations and/ or applicable laws in this regard shall automatically apply to this policy.

## **5. BOARD APPROVAL**

This revised Policy for Determining Material Subsidiary has been approved by the Board of Directors of the Company in their meeting on 23 January 2025. This shall come into force w.e.f. 23 January 2025.